

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
(Registration number 2009/013994/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
Annual Financial Statements for the year ended 30 June 2015
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To provide services in community care, support and empowerment, in order to improve health outcomes and livelihoods and access to social protection rights.
Directors	SR Hedden BN Memela NJ Nxasane
Registered office	Woza Moya Community Centre District Road 64 Chibini Community 3276
Postal address	PO Box 847 Ixopo Durban 3276
Bankers	First National Bank Limited
Auditors	Mazars Registered Auditor
Company registration number	2009/013994/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were independently compiled by: DB Bates Chartered Accountant (South Africa)

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The reports and statements set out below comprise the annual financial statements presented to the members:

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC

We have audited the annual financial statements of Woza Moya Community Development Project (RF) NPC, as set out on pages 7 to 14, which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donations prior to the initial entry of collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Woza Moya Community Development Project (RF) NPC as at 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 15 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 30 June 2015, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between that report and the audited annual financial statements. The directors' report is the responsibility of the directors. Based on reading that report we have not identified material inconsistencies between it and the audited annual financial statements. However, we have not audited the directors' report and accordingly do not express an opinion thereon.



Mazars
Partner: T Erasmus
Registered Auditor
30 September 2015
Durban

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
Annual Financial Statements for the year ended 30 June 2015
Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2016 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor's are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor's and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved by the board of directors on 30 September 2015 and were signed by:



SR Hedden



BN Memela



NJ Nxasane

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
Annual Financial Statements for the year ended 30 June 2015
Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Woza Moya Community Development Project (RF) NPC for the year ended 30 June 2015.

1. Nature of business

The company engages in providing services in community care, support and empowerment, in order to improve health outcomes and livelihoods and access to social protection and rights and operates principally in South Africa.

The company's mission is to provide quality community care and support for people infected and affected by HIV and AIDS. By providing home-based care, orphan intervention and food security, the company aims to alleviate hunger, poverty and suffering through a holistic and integrated approach. Social-economic conditions, a persons psychological and spiritual health, as well as their physical welfare all need to be considered and taken care of.

The company is located in the Ufafa area - Ward 3 of the Ubuhlebezwe, in the Sisobke district in Kwazulu-Natal, South Africa. The Woza Moya Community Centre is situated on the tribal land in the Chibini community of Ufafa.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

The directors in office at the date of this report are as follows:

Directors
SR Hedden
BN Memela
NJ Nxasane

There have been no changes to the directorate for the period under review.

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Auditors

Mazars will continue in office as auditors of the company for the next financial year.

7. Secretary

The company had no secretary during the year.

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
Annual Financial Statements for the year ended 30 June 2015
Statement of Financial Position as at 30 June 2015

Figures in Rand	2015	2014
Assets		
Non-Current Assets		
Property, plant and equipment	1,422,155	971,293
Current Assets		
Trade and other receivables	24,755	18,011
Cash and cash equivalents	1,690,010	1,088,643
	1,714,765	1,106,654
Total Assets	3,136,920	2,077,947
Equity and Liabilities		
Equity		
Retained income	3,084,164	2,074,318
Liabilities		
Current Liabilities		
Trade and other payables	52,756	3,629
Total Equity and Liabilities	3,136,920	2,077,947

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
Annual Financial Statements for the year ended 30 June 2015
Statement of Comprehensive Income

Figures in Rand	2015	2014
Revenue	3,429,465	2,433,326
Other income	240,216	179,007
Operating expenses	(2,703,250)	(2,720,665)
Operating surplus (deficit)	966,431	(108,332)
Investment revenue	43,415	41,257
Surplus (deficit) for the year	1,009,846	(67,075)

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
Annual Financial Statements for the year ended 30 June 2015
Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 July 2013	<u>2,141,393</u>	<u>2,141,393</u>
Loss for the year	<u>(67,075)</u>	<u>(67,075)</u>
Balance at 01 July 2014	<u>2,074,318</u>	<u>2,074,318</u>
Profit for the year	<u>1,009,846</u>	<u>1,009,846</u>
Balance at 30 June 2015	<u>3,084,164</u>	<u>3,084,164</u>

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
Annual Financial Statements for the year ended 30 June 2015
Statement of Cash Flows

Figures in Rand	2015	2014
Cash flows from operating activities		
Cash generated from (used in) operations	1,056,505	(57,216)
Interest income	43,415	41,257
Net cash from operating activities	1,099,920	(15,959)
Cash flows from investing activities		
Purchase of property, plant and equipment	(506,553)	-
Sale of property, plant and equipment	8,000	-
Net cash from investing activities	(498,553)	-
Total cash movement for the year	601,367	(15,959)
Cash at the beginning of the year	1,088,643	1,104,602
Total cash at end of the year	1,690,010	1,088,643

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
Annual Financial Statements for the year ended 30 June 2015
Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, the SAICA Financial Reporting Guides as issued by the Accounting Practice Committee, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	25 years
Motor vehicles	5 years
Office equipment	6 years
Computer equipment	3 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
Annual Financial Statements for the year ended 30 June 2015
Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables and other assets and liabilities as identified. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.3 Revenue

Revenue comprises donation income, Donation income is recognised when received, except to the extent that it relates to future periods, in which case it is deferred and recognised in the period it relates to.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of discounts, volume rebates and value added tax..

Interest is recognised, in profit or loss, using the effective interest rate method.

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
Annual Financial Statements for the year ended 30 June 2015
Notes to the Annual Financial Statements

Figures in Rand 2015 2014

2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	1,267,031	(346,422)	920,609	1,267,031	(295,741)	971,290
Motor vehicles	613,753	(112,209)	501,544	107,200	(107,199)	1
Office equipment	9,420	(9,419)	1	9,420	(9,419)	1
Computer equipment	28,180	(28,179)	1	28,180	(28,179)	1
Total	1,918,384	(496,229)	1,422,155	1,411,831	(440,538)	971,293

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Buildings	971,290	-	(50,681)	920,609
Motor vehicles	1	506,553	(5,010)	501,544
Office equipment	1	-	-	1
Computer equipment	1	-	-	1
	971,293	506,553	(55,691)	1,422,155

Reconciliation of property, plant and equipment - 2014

	Opening balance	Depreciation	Total
Buildings	1,021,972	(50,682)	971,290
Motor vehicles	7,147	(7,146)	1
Office equipment	1	-	1
Computer equipment	1	-	1
	1,029,121	(57,828)	971,293

3. Trade and other receivables

Prepayments	21,550	14,979
Deposits	3,205	3,032
	24,755	18,011

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	12,643	6,471
Bank balances	1,677,367	1,082,172
	1,690,010	1,088,643

5. Trade and other payables

Trade payables	4,639	3,629
Amounts received in advance	48,117	-
	52,756	3,629

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
Annual Financial Statements for the year ended 30 June 2015
Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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6. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:

Sale of property, plant and equipment	8,000	-
Depreciation on property, plant and equipment	55,691	57,827
Employee costs	1,344,700	1,217,364
	<u>1,344,700</u>	<u>1,217,364</u>

7. Taxation

The company has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, therefore no provision has been made for 2015 tax as the company is not liable for tax.

8. Cash generated from (used in) operations

Surplus (deficit) before taxation	1,009,846	(67,075)
Adjustments for:		
Depreciation and amortisation	55,691	57,827
Profit on sale of assets	(8,000)	-
Interest received	(43,415)	(41,257)
Changes in working capital:		
Trade and other receivables	(6,744)	(604)
Trade and other payables	49,127	(6,107)
	<u>1,056,505</u>	<u>(57,216)</u>

WOZA MOYA COMMUNITY DEVELOPMENT PROJECT (RF) NPC
Annual Financial Statements for the year ended 30 June 2015
Detailed Income Statement

Figures in Rand	2015	2014
Revenue		
Dr. Heinz Deichmann-Foundation	211,742	203,998
General donations	1,407,391	759,296
HCI Foundation	134,826	303,760
Hospice Palliative Care Association of South Africa	-	66,272
NACOSA	575,505	-
Oxfam Australia	750,000	750,000
The ELMA Foundation	350,000	350,000
	3,429,464	2,433,326
Other income		
Craft sales	149,792	155,721
Interest received	43,415	41,257
Profit on disposal of asset	8,000	-
Reimbursements	82,424	23,286
	283,631	220,264
Operating expenses		
Accounting fees	43,448	56,874
Auditors remuneration	29,871	24,467
Bank charges	14,718	12,169
Fund raising and statutory expenses	13,505	14,167
Depreciation	55,691	57,827
Donor hosting	520	7,026
Electricity and water	20,309	21,963
Employee costs	1,412,686	1,262,593
Food parcels	45,975	45,001
Food security	187,311	143,138
Insurance	27,643	22,414
Marketing and promotions including 15 year report	90,154	61,388
Medical supplies and fortified foods	52,417	40,179
CBO vehicle and public transport expenses	281,813	299,019
Office consumables and computer expenses	81,902	40,782
Playcentre	9,601	3,582
Repairs and maintenance	39,703	71,512
Youth development expenses	5,956	3,527
Telephone, fax and internet	21,859	23,455
Training, meetings and workshops	229,035	207,281
Wash Oxham materials infrastructure	40,985	302,303
	2,705,102	2,720,667
Surplus (deficit) for the year	1,007,993	(67,077)